

2014-132 AUDIT SCOPE AND OBJECTIVES

Apple Valley Water Rates

The audit by the California State Auditor (state auditor) will provide independently developed and verified information related to rates charged by four water suppliers serving customers in and around Apple Valley—Apple Valley Ranchos Water Company (Apple Valley Ranchos), Golden State Water Company (Golden State), the city of Hesperia (Hesperia), and the city of Victorville (Victorville)—and will include, but not be limited to, the following:

1. Review and evaluate the laws, rules, and regulations significant to the audit objectives.
2. For a time period to be determined by the state auditor, and to the extent possible, evaluate the process each water supplier used to establish its water rates and the reasons for any recent rate increases.
3. Identify and analyze the significant factors that contribute to each water supplier's rates and, to the extent possible, assess the causes of major differences between the suppliers' rates.
4. Review and assess any other issues that are significant to water rates in the Apple Valley.